

**RAILROAD COMMISSION OF TEXAS  
FORMAL COMMISSION ACTION  
OCTOBER 5, 2004**

Pursuant to lawful notice, the Commission held an open meeting at 1701 N. Congress Avenue, in Room 1-111, Austin, Texas, on the 5th day of October 2004, commencing at 9:30 a.m. Chairman Victor G. Carrillo and Commissioners Charles R. Matthews and Michael L. Williams were present. Chairman Carrillo presided.

- I. The Commission began consideration of matters falling within the Railroad Commission's Gas Services regulatory jurisdiction.
  - A. In consideration of Pipeline Safety Docket 9399, the Commission signed a Stipulated Agreed Order approving the application of Houston Pipeline Company LP for their Integrity Management Plan and Direct Assessment Methodologies. Approval was recommended by Director of Enforcement Boyd Johnson.
- II. The Commission began consideration of matters falling within the Railroad Commission's Oil and Gas regulatory jurisdiction.
  - A. The Commission took the following action on applications appearing on the protested docket of the Oil and Gas Division:
    1. The Commission deferred consideration of Docket No. 0236671, Camden Resources, Inc. until the end of conference for possible oral arguments.
    2. In consideration of Docket No. 0237175, the motion for rehearing filed regarding the application of Sunday Corporation for an exception to SWR 37 for the Barrow Lease, Well No. 1, Ellu (Holt) (28544500) Field, Wildcat (00018001) Field, Ector County, Texas. Commissioner Matthews made a motion to grant the motion for rehearing, which failed for lack of a second. On motion of Chairman Carrillo, he and Commissioner Williams voted to deny the motion for rehearing. Commissioner Matthews voted no. Denial of the motion for rehearing was recommended by Examiner Jim Doherty.

3. In consideration of Docket No. 09-0236216, the enforcement action against 4-N Operating LLC regarding the Mills, Burrell -B- (01449) Lease, Well Nos. 4, 5, 6, 8, 9, 10, 12, 13W and 14Y-B (Gunsight, Upper)(99168500) Field, Baylor County, Texas, for violations of Rules 14(b)(2); 3(a)(2); 8(d)(1); 13(b)(1)(B); 8(d)(4)(G)(1)(III), Examiner Mark Helmueller recommended the Commission dismiss the complaint against Chris Creswell and order 4-N to plug or otherwise place the wells in compliance, to pay \$654.50 to reimburse the Commission for emergency cleanup costs and pay an administrative penalty in the amount of \$37,000. Commissioner Matthews made a motion to accept the examiner's recommendation except to reduce the administrative penalty to \$21,100 as recommended by the Commission's enforcement section. The motion failed for lack of a second. On motion of Commissioner Williams, he and Chairman Carrillo voted to approve the examiner's recommendation and ordered 4-N Operating LLC to plug or place in compliance the subject wells and to reimburse the Commission for emergency cleanup costs in the amount of \$654.50, to pay an administrative penalty in the amount of \$37,000 and to dismiss the complaint against Chris Creswell. Commissioner Matthews voted no.
  4. In consideration of Docket No. 08-0235029, the enforcement action against RCM Oil, Inc., for violations of statewide rules and Land Treatment Permit No. LT-0136, on the Ricky Smith Ranch Facility, Winkler County, Texas, the Commission ordered that RCM Oil, Inc. pay an administrative penalty in the amount of \$2,500. This action was recommended by Examiner Mark Helmueller.
- B. The Commission took action on applications appearing on the Oil and Gas Unprotested Consent Agenda, Agreed Enforcement Orders, and Master Default Orders.
- III. The Commission began consideration of matters authorized by law including the administration, budget, procedures and personnel of the following divisions as presented by the division director or other authorized personnel.
- A. Gas Services: Director Steve Pitner
1. At the request of the staff, the Commission deferred consideration of the implementation of web-based LP Gas examinations, including rulemaking.
- B. Oil and Gas: Deputy Director Tommie Seitz
1. The Commission authorized the staff to solicit bids and award a State-funded plugging contract for requisition No. 455-5-0282 for five wells with an estimated value of the contract \$146,900, in San Patricio and Duval Counties, Texas.

**OFFICIAL MINUTES – OCTOBER 5, 2004**

2. The Commission authorized the staff to solicit bids and award a State-funded plugging contract for requisition No. 455-5-0336 for 10 wells with an estimated value of the contract \$100,600 in Gregg County, Texas.
  3. The Commission approved and signed the 2003 Annual Report transmittal letter to Governor Perry.
- IV. At this time, the Commission considered possible oral arguments in Oil and Gas Docket No. 0236671, regarding the complaint filed in the application of Camden Resources, Inc. for an exception to Statewide Rule 37 for the Casas Lease, Well No. 1, Rosita, E. (Wilcox Cons.) (78336700) Field, Duval County, Texas. Commissioner Matthews made comments and moved to dismiss the complaint. After making their own comments, Chairman Carrillo seconded the motion and Commissioner Williams also voted in favor of dismissing the complaint, making oral arguments unnecessary. Examiner Jim Doherty stated he would prepare a dismissal order and bring it back to the Commission at the next conference for signatures.
- V. With no further business to come before the Commission at this time, the conference was adjourned at 10:20 a.m.